

Investigation into the Wholesale Billing Practices of  
Wisconsin Bell, Inc. d/b/a SBC Wisconsin

6720-TI-183

<b>I. Purpose</b>
<i>This form is designed to have carriers identify and document issues in advance of the July 30, 2003 prehearing conference. It will also be used to track issues as issues are discussed during subsequent prehearing conferences. Carriers are not precluded from raising additional issues at or even after the July 30, 2003 prehearing conference, but Carriers will be expected to complete this form as issues are subsequently raised. Notwithstanding, all carriers are encouraged to submit as many of their issues as possible prior to the July 30, 2003 prehearing conference. A date will be established at a subsequent prehearing conference after which no new issues will be permitted.</i>
<b>II. Directions</b>
<ol style="list-style-type: none"> <li>1. Please complete a separate form for each issue.</li> <li>2. Time permitting and to the extent possible, carriers with similar issues are encouraged to make a joint submission.</li> <li>3. Please do not include any confidential and/or CPNI information. How to handle confidential and/or CPNI information will be discussed at the July 30, 2003 prehearing conference.</li> <li>4. Please return to Nick Linden by e-mail (<a href="mailto:nicholas.linden@psc.state.wi.us">nicholas.linden@psc.state.wi.us</a>) no later than the close of business (COB) Friday, July 25, 2003.</li> </ol>
<b>III. Submitting Carrier(s) General Information</b>
<p>Submitted by: SAGE TELECOM, INC.</p> <p>Contact: Stephanie Timko Telephone Number: (214) 574-7135 e-mail: <a href="mailto:STIMKO@SAGETELECOM.NET">STIMKO@SAGETELECOM.NET</a></p> <p>Subject Matter Expert (SME): Stephanie Timko Telephone Number: (214) 574-7135 e-mail: <a href="mailto:STIMKO@SAGETELECOM.NET">STIMKO@SAGETELECOM.NET</a></p> <p>Authorized Representative: (Name of person empower to make decisions and enter into agreements on behalf of the submitting carrier(s)) Bob McCausland Telephone Number: e-mail: <a href="mailto:RMcCausland@SAGETLECOM.NET">RMcCausland@SAGETLECOM.NET</a></p>
<b>IV. Issue Identification</b>
<p>Name: (short identifier) Billing For Incollect Calls Brief Description: SBC Wisconsin inappropriately billed SAGE TELECOM for uncollectible incollect calls originated by SBC customers.</p>
<b>V. Analysis of Issue</b>
<p>Please answer the following questions:</p> <ol style="list-style-type: none"> <li>1. When this issue was first discovered? March 2003</li> </ol>

2. How many occurrences and approximately over how long a period of time?  
Monthly
3. Is it a recurring problem? Yes
4. Your belief as to the cause of the problem.
5. Does this issue involve an interpretation and/or application of law, contract or tariff? If so, please explain. Yes. Sage's Interconnection Agreement with SBC-Ameritech Wisconsin (Section 27.16.3) sets forth Sage's responsibility as a Billing and Collection Agent on behalf of SBC-Ameritech Wisconsin for collect call charges. SBC-Ameritech Wisconsin believes that this "Billing and Collection Agent" role includes liability for uncollectible Incollect charges.
6. What priority would you give this issue? In other words, how would you rank this issue in terms of importance and urgency: High
7. Any other pertinent information?

**VI. Prior Attempts to Resolve the Issue** *(Please do not re-argue your case here or submit supporting documents.)*

Please answer the following questions:

1. Was this issue raised with the opposing carrier? If so, when and how? Yes. In March 2003, Sage sent a notice of dispute to Mr. Greenlaw of SBC, identifying the problem, and requesting resolution of this issue. Since March, Sage has sent monthly dispute notices to SBC, with no resolution.
2. Was this issue escalated for dispute resolution? If so, when and in what forum?
3. Last known position of the opposing carrier. SBC has offered Sage an alternate ABS Agreement. However, the premise of this Agreement still holds Sage liable for a substantial percentage of uncollectible Incollect charges which is in violation of the terms of the Interconnection Agreement. Parties cannot agree on the subject of financial liability for uncollectible Incollect charges.
4. Were any bill adjustments made to resolve this issue? No.
5. Were any policies or procedures changed to address this issue? If so, what changes were made?

**VII. Relief Sought**

*(Described relief desired or needed including, but not limited to, proposed changes to Performance Measurements (PMs).)*

Sage requests that the Commission enter an order finding that, for Incollects, Sage is the Billing and Collection Agent only and thereby, not financially liable for SBC's uncollectible Incollect charges. Further, Sage requests that all appropriate credits be issued by SBC to Sage.

**VIII. Opposing Carrier's Response** *(to be completed after July 30, 2003, prehearing)*

*(Briefly respond to submitting carrier(s) by either agreeing or disagreeing with statements made above, and by answering the following questions.)*

**A. Analysis of Issue**

1. Your belief as to the cause of the problem.  
*Sage and SBC do not agree on the billing responsibilities relative to Incollects. SBC's bill to Sage is accurate and timely. Sage believes SBC should not bill Sage*

*or hold Sage accountable. Rather, Sage would prefer SBC suppress the billing and merely collect those amounts Sage might collect from their end users. Sage's position is that it is only a billing and collection agent to its own end users when those end users have authorized and accepted an ABS charge (which is a service that is integral to the UNE-P local line). Sage's "billing and collection agent" position contends that it has the right to recourse back to SBC any and all charges that its end users fail to pay. Again, the ABS charges are those authorized and accepted by Sage end users.*

2. Does this issue involve an interpretation and/or application of law, contract or tariff? If so, please explain.

*Yes. It involves interpretation of contract language in Sage's Wisconsin ICA with SBC in Section 27.16.3. The ICA clearly requires Sage to utilize the rated messages Sage receives from SBC Wisconsin to bill its end users for the ABS services. SBC reads the ICA as requiring both parties to bill and collect ABS charges authorized and accepted by their own end users. The ICAs silence on the specific procedural or operational practices relative to the issue of uncollectibles suggests that, just like with any other invoiced amounts, the billing company bears the risk of bad debt. It is SBC's position that the ICA is meant to provide an incentive that the billing company undertake collection efforts beyond just sending a bill. This is consistent with industry practice.*

3. What performance measures can be implemented to monitor the desired system operation? *N/A*

4. Any other pertinent information?

*Yes. The records SBC sends to Sage via the DUF are accurate and timely. The summary bill that reflects the total of those rated Incollects is also accurate. SBC pays Sage \$.03 fee for each call for billing and collection. There was a delay in posting this credit to Sage's account in the early months of Sage's operation in Wisconsin. That posting has been corrected and a true-up provided on Sage's bill. SBC has attempted to resolve this issue with Sage on a number of occasions in far-reaching compromises. SBC developed a new proposed Appendix to the ICA that included many terms and conditions to protect both companies from non-paying end users that can cause great financial harm. However, the most important portion of this language was that it gave Sage options of percentages to discount from the total ABS charges. Within one of the options, SBC agreed to give Sage as much as a 35% recourse option. Furthermore, SBC very recently offered Sage a 40% discount of ABS charges. This would mean Sage would be able to recourse as much as 40% of uncollectibles back to SBC. SBC believes it has been more than fair in trying to reach a compromise on charges that are integral to the local telecommunications services that Sage offers its end users on the UNE-P. SBC should not be financially harmed for Sage's unwillingness to accept the responsibility for local services that its end users receive.*

#### **B. Prior Attempts to Resolve the Issue**

1. Last known position of the submitting carrier.

*August 7, 2003- Submission of Testimony filed on the same issue in Michigan. Case No. U-13747.*

2. Were any bill adjustments made to resolve this issue?

*The only Incollects billing adjustments were to support Sage's efforts to satisfy customer challenges of collect and billed to third charges. SBC provides an end user support process to Sage for just this purpose even though it is not specifically outlined in the ICA.*

3. How were the adjustments communicated to the submitting carrier? Please attach any relevant accessible letter(s).

*Disputes or inquiries from Sage on behalf of their end users are documented and logged through our CLEC end user inquiry support process. This is in the CLEC handbook and mentioned in accessible letters. SBC responds to each dispute/inquiry within five business days. Once all information and customer contact, if necessary, is made by Sage, any adjustment is posted to the next appropriate bill round.*

4. Identify any other carrier(s) known to have experienced similar problems.

*In Wisconsin, AT&T has agreed to a negotiated ABS appendix. In addition, MCI is currently in negotiation talks with SBC over these same issues. The other carrier in the Ameritech States that has arbitrated this issue was MCI in the state of Michigan. On the other hand, we have had several carriers agree with SBC's compromise solution to this problem and have entered into our ABS agreements. The largest carrier to recognize this has been AT&T, which will file an agreed-to ABS Agreement in the state of Wisconsin (as well as the other SBC States).*

5. Did you identify any other problems arising from or related to this issue?

*Yes. There is no accountability for end-user responsibility. In addition, this issue could have serious impacts on the continuation of fraud associated with customers not being appropriately billed/held responsible for such charges. SBC is not aware of Sage utilizing generally accepted collection practices. Sage's voluntary tracking report to SBC indicates an extremely low rate of collection success. Timing on blocking, once an account is determined to be in a non-pay (over 60 days) status, is critical, as SBC cannot block a customer of a CLEC. Only the CLEC has the ability to block its customer.*

6. What steps, if any, did you take to proactively identify other billing issues arising from or related to this issue? Please attach any relevant accessible letter(s).

*Accessible Letter- CLEC02-479; September 6, 2002.*

*In addition, SBC, as jointly agreed to by both parties, provides Sage with a list of ANIs to block so that financial risk is minimized. SBC also offered (and Sage accepted) another free blocking service focused in inmate locations. SBC also runs custom reports in an attempt to identify early abusers.*

*Also Accessible Letters, CLEC02-101, CLEC02-127, and CLEC02-144.*



CLEC ALL 127.doc  
(296 KB)



CLEC ALL 101.doc  
(277 KB)



CLEC ALL 144.doc  
(304 KB)

7. Were any policies or procedures changed to address this issue? If so, what changes were made?

*SBC established a return feed for the CLECs to utilize for rejects, duplicates, unbillable records, and uncollectables. SBC introduced and implemented*

*Selective Blocking. SBC implemented numerous operational support procedures such as inquiry support for those end users of a CLEC denying the validity or rate of a call, reports identifying those ANIs over 60 days unpaid, and other custom reports.*

**IX. Opposing Carrier's General Information** *(to be completed after July 30, 2003, prehearing)*

Submitted by: *SBC*

Contact: *James Jermain*

Telephone Number: *608-252-2359*

e-mail: *jj8571@sbc.com*

Subject Matter Expert (SME): *Roman Smith*

Telephone Number: *(214) 858-0746*

e-mail: *rs7092@sbc.com*

Authorized Representative: *Glen Sirles*

Telephone Number: *214-858-0700*

e-mail: *gs1066@sbc.com*

**X. Further Investigative Activities** *(for staff use only)*

**XI. Final Disposition** *(for staff use only)*